

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<u>Operating Revenues</u>					
Service Revenues - Water	\$ 182,420		\$ 182,420	\$ 58,408 [a]	\$ 240,828
Miscellaneous Revenues	15,903		15,903		15,903
Uncollectible Accounts	(44,191)		(44,191)	(14,149) [b]	(58,340)
Total Operating Revenues	154,132	0	154,132	44,259	198,391
<u>Maintenance Expenses</u>					
Salaries and Wages	46,556	1,629 [c]	48,185	0	48,185
Purchased Power	6,771		6,771	0	6,771
Purchased Water	0		0		0
Maintenance and Repair	9,581		9,581	0	9,581
Maintenance Testing	1,249		1,249	0	1,249
Meter Reading	2,480		2,480		2,480
Chemicals	499		499	0	499
Transportation	2,688		2,688	0	2,688
Operating Exp. Charged to Plant	(20,552)		(20,552)	0	(20,552)
Outside Services - Other	1,717		1,717	0	1,717
Total	50,990	1,629	52,619	0	52,619
<u>General Expenses</u>					
Salaries and Wages	12,374	433 [c]	12,807	0	12,807
Office Supplies & Other Office Exp.	6,084		6,084	0	6,084
Regulatory Commission Exp.	1,968	6,376 [d]	8,344	0	8,344
Pension & Other Benefits	10,040	351 [c]	10,391	0	10,391
Rent	318		318	0	318
Insurance	4,411		4,411	0	4,411
Office Utilities	2,199		2,199	0	2,199
Miscellaneous	639		639	0	639
Total	38,033	7,160	45,193	0	45,193
Depreciation	17,352		17,352		17,352
Taxes Other Than Income	10,724	10 [e]	10,734	175 [e]	10,910
Income Taxes - Federal	(1,736)	3,709 [f]	1,973	13,894 [f]	15,867
Income Taxes - State	(3,126)	3,583 [f]	457	3,218 [f]	3,675
Amortization of Investment Tax Credit	(300)		(300)		(300)
Amortization of CIAC	(1,330)		(1,330)		(1,330)
Total	21,584	7,302	28,886	17,288	46,173
Total Operating Expenses	110,607	16,092	126,698	17,288	143,986
Net Operating Income	\$ 43,525	\$ (16,092)	\$ 27,433	\$ 26,971	\$ 54,405
Interest During Construction	0		0	0	0
Interest on Debt	28,131	(4,827) [h]	23,304	0	23,304
Net Income	\$ 15,394	\$ (11,265)	\$ 4,129	\$ 26,971	\$ 31,101

- [a] Revenues are annualized at proposed rates using the average test year customers.
- [b] Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to pro forma proposed revenues.
- [c] Salaries, Wages and Benefits are adjusted to annualize as of 12/31/00.
- [d] Regulatory Commission Expense has been adjusted to reflect the cost of the current rate case over 3 years.
- [e] Taxes Other than Income is adjusted for annualized payroll taxes, Utility Commission Taxes, and Gross Receipts Taxes.
- [f] Income Taxes are computed on taxable income at current rates.
- [g] Interest on Debt has been computed using a 50.02% / 49.98% debt / equity ratio and a 8.62% cost of debt.